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Results in Brief: Improvements Needed in Transparency and Accountability of U.S. Army Reserve Component Equipment Transfers

What We Did

We determined whether the Army had transparency and accountability for Army Reserve Components (RCs) equipment transfers. We reviewed documentation for 290,500 pieces of equipment transferred between 2003 and 2011, valued at approximately \$7.6 billion, to determine whether the Army followed DoD Directive 1225.6, "Equipping the Reserve Forces," April 7, 2005 (Directive), when transferring equipment.

What We Found

Army officials did not implement accountability procedures to verify the transfer and replacement of 239,332 pieces of RCs equipment, valued at approximately \$5.8 billion. Specifically, RCs transferred 203,997 pieces of equipment to Army Active Component (AC) and other RCs without the Secretary of Defense's (SECDEF's) approval. This occurred because:

- U.S. Army Deputy Chief of Staff, G-8 (G-8) and RCs inappropriately determined that proposal plans were not required for 203,929 equipment transfers within RCs; and
- G-8 did not follow the requirement for preparing a proposal plan for 68 pieces of equipment transferred to AC.

RCs transferred another 1,203 pieces of equipment to AC and other RCs before obtaining SECDEF approval because G-8 did not initiate the approval process timely. The Assistant Secretary of Defense for Reserve Affairs (ASD [RA]), G-8, and RCs could not accurately account for the replacement of 34,132 pieces of RCs equipment transferred to AC and other RCs because ASD (RA), G-8, and RCs informal processes were not effective for verifying equipment replacements. The Army could not determine the total amount of RCs equipment transfers for the purpose of

mobilization because it did not maintain a central repository.

As a result, RCs have lost transparency of their equipment transfers and may experience equipment shortages that could hinder their ability to train soldiers and respond to emergencies.

What We Recommend

We recommend ASD (RA) update draft DoD Instruction 1225.06, finalize formal policies, and develop a central repository. We recommend G-8 conduct a review to determine the need to replace equipment transferred, prepare proposal plans for future equipment transfers, take action to replace equipment transferred between 2003 and 2008, and create implementing guidance. We recommend that the Chief of Staff, U.S. Army Reserve (USAR) and the Director, Army National Guard (ARNG) prepare proposal plans and obtain SECDEF approval for future equipment transfers and create implementing guidance.

Management Comments and Our Response

As a result of comments from ASD (RA), we deleted draft Recommendation 1.a and renumbered Recommendations 1.b, 1.c, 1.d, and 1.e to Recommendations 1.a, 1.b, 1.c, and 1.d, respectively. Comments from ASD (RA), the U.S. Army Deputy Chief of Staff, G-8, and the Director, Army National Guard were partially responsive. Comments from the Chief of Staff, U.S. Army Reserve were not responsive. Therefore, we request comments by October 29, 2012. Please see the recommendations table on the back of this page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Assistant Secretary of Defense for Reserve Affairs	1.a	1.b, 1.c, and 1.d
U.S. Army Deputy Chief of Staff, G-8	2.a, 2.b, and 2.c	2.d and 2.e
Chief of Staff, U.S. Army Reserve	3.a and 3.b	
Director, Army National Guard	3.a	3.b

Please provide comments by October 29, 2012.